



Mid-range pricing per hectare for dairy properties

\$26K - \$48K

Mid-range land area for dairy properties sold

78ha - 192ha

Total land area of dairy properties sold

21,035ha

1 July 2023 - 30 June 2024

Source: Bayleys Insights & Data and REINZ

Dairy property market in 60 seconds

Biggest trends

Tight margins remain



The mid-point farm gate milk price of \$8.50 in August is positive, however, the inflated cost base has continued to squeeze margins. This continues to influence the level of activity in the dairy market.

Environmental due diligence now normal



Buyers and lenders continue to require detailed environmental information to verify current and future production profiles and/or any CapEx required to achieve future production expectations.

Restricted land use drives scarcity



Change in land use to dairy continues to be largely restricted. Given the national total productive platform is arguably now at a maximum, this is expected to drive scarcity of dairy land and influence underlying transaction value in the longer term.

Outlook for the next 12 months

Flight to quality expected to continue



High stock volumes are expected to continue, providing a range of options for buyers who are now more selective. Location and quality will remain important considerations for buyers and will be primary drivers of value.

Long term strategies will fuel activity



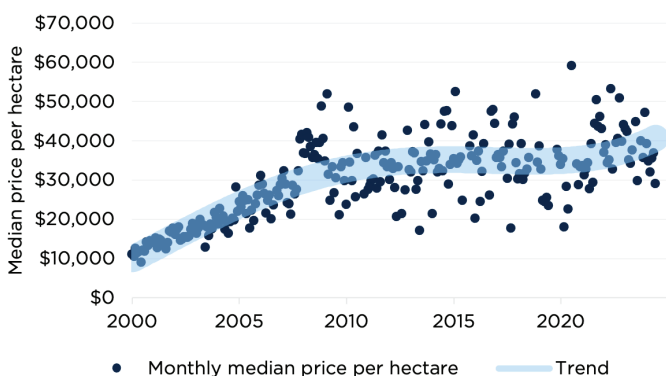
Longer term investment strategies expected to remain the primary driver of buyer activity, and in the absence of strong motivating factors (such as age, energy, debt, up/downsize), vendors are likely to remain resilient to any price gap generated by buyers. Given support land is expected to remain in high demand, decommissioning of smaller dairy farms is likely to continue.

Cost of debt will influence market liquidity



Well-capitalised operators are expected to be able to continue to access debt capital. Although interest rates have peaked, the relatively high cost of debt is expected to restrict the level of overall capital circulating in the market.

Median price per hectare

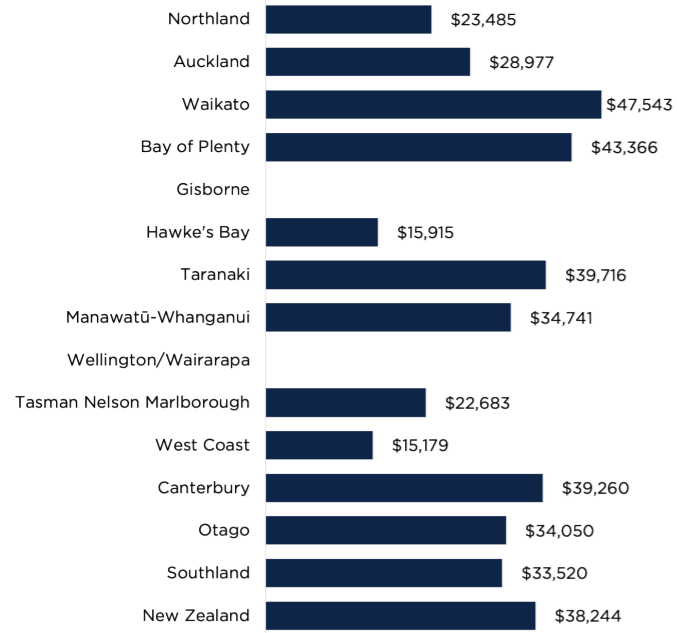


Rolling 12 month sales value

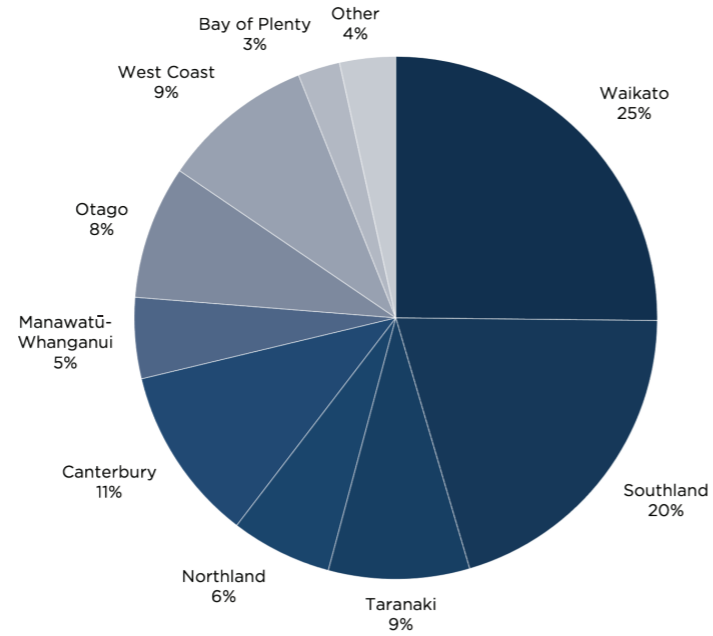


Market indicators

Average price per hectare by region (2024)



Land area sold by region (2024)



Market indicators by region

Region	Mid-range price per hectare		Total land area sold (hectares)	
	2023	2024	2023	2024
Northland	\$19,957 - \$32,031	\$20,052 - \$29,255	1,854	1,314
Auckland	\$39,397 - \$39,397	\$28,977 - \$28,977	186	53
Waikato	\$36,074 - \$60,000	\$35,777 - \$56,610	6,082	5,293
Bay of Plenty	\$31,087 - \$41,457	\$37,286 - \$49,236	857	548
Gisborne	-	-	-	-
Hawke's Bay	\$19,850 - \$25,152	\$15,915 - \$15,915	701	352
Taranaki	\$38,847 - \$55,935	\$27,208 - \$53,337	3,243	1,834
Manawatū-Whanganui	\$35,054 - \$40,304	\$22,629 - \$39,204	1,337	1,053
Wellington/Wairarapa	\$62,181 - \$62,181	-	98	-
Tasman Nelson Marlborough	\$22,360 - \$39,139	\$22,683 - \$22,683	497	322
West Coast	\$11,691 - \$19,109	\$14,393 - \$17,603	1,258	1,982
Canterbury	\$43,268 - \$52,304	\$31,475 - \$48,987	3,364	2,281
Otago	\$31,824 - \$49,800	\$28,586 - \$40,757	2,116	1,737
Southland	\$27,664 - \$41,174	\$29,153 - \$39,402	3,862	4,266
New Zealand	\$32,742 - \$52,304	\$25,741 - \$48,016	25,455	21,035

Data: REINZ. Dairy properties (excludes dairy support and lifestyle properties). "Mid-range price" is based on lower and upper quartiles (middle 50% of the market). They do not represent the minimum or maximum rates in the market. Sales metrics for each year above are for the 12 months to 30 June.



Notable transactions



413B Baylys Coast Road, Baylys Beach

Land area 300.00ha
 Sale price \$6,000,000
 Price per CaHa \$20,000
 Contact Tracy Dalzell



145 Top Road, Patetonga

Land area 113.00ha
 Sale price \$5,870,000
 Price per CaHa \$51,946.90
 Contact Mike Fraser-Jones



376 Starkey Road, Morrinsville

Land area 73.88ha
 Sale price \$2,350,000
 Price per CaHa \$31,808.34
 Contact Mike Fraser-Jones,



226 Wainui Road, Paeroa

Land area 130.00ha
 Sale price \$3,100,000
 Price per CaHa \$23,846.15
 Contact Karl Davis



120 Tram Road, Oruanui

Land area 272ha
 Sale price \$6,760,000
 Price per CaHa \$24,852.92
 Contact Stan Sickler

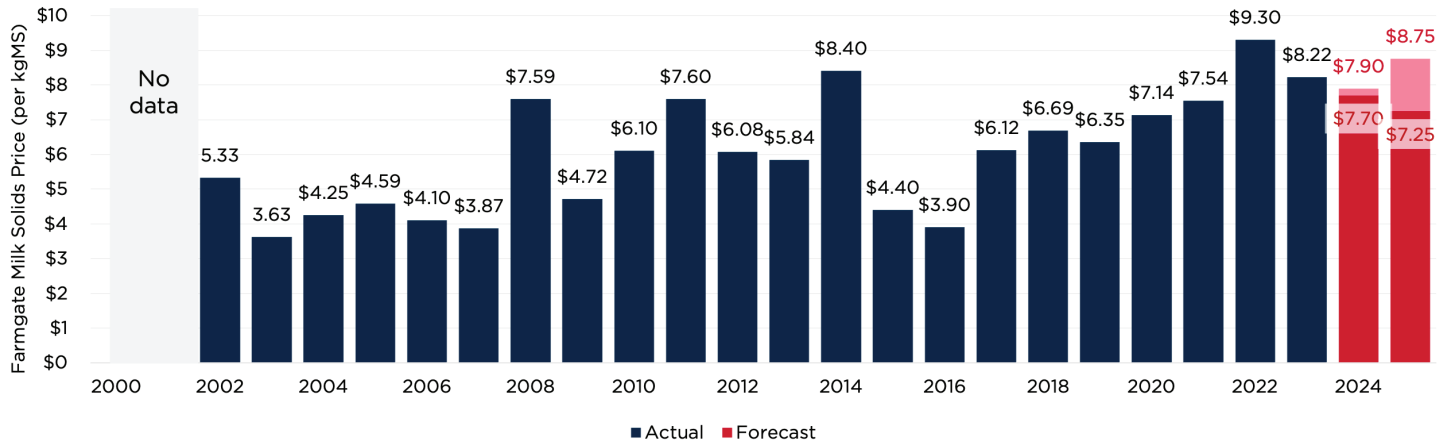


3986 Puketitiri Road, Patoka

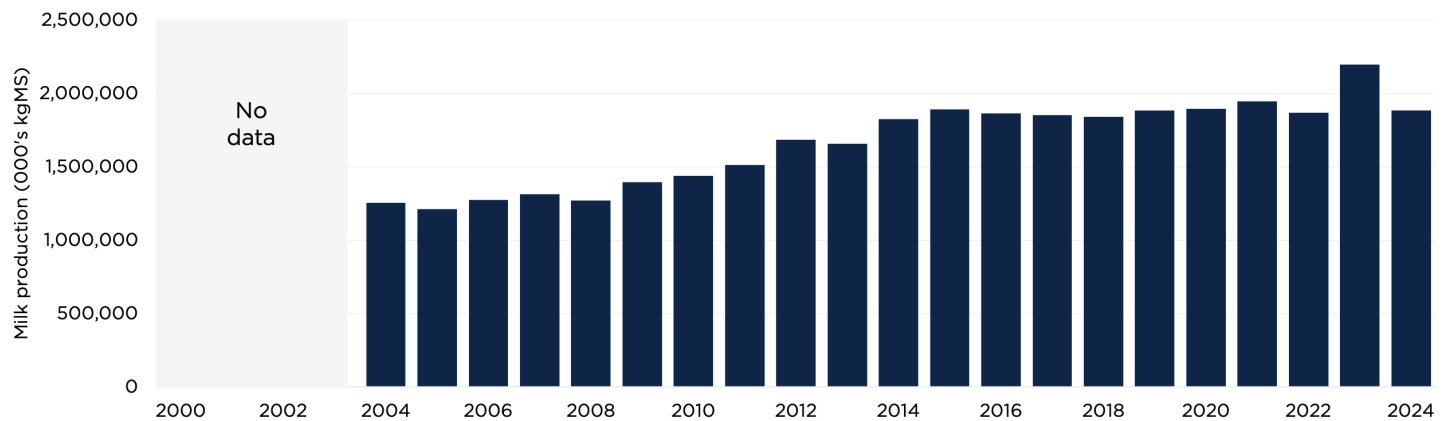
Land area 351.86ha
 Sale price \$5,600,000
 Price per CaHa \$18,666.67
 Contact Tony Rasmussen

Market indicators

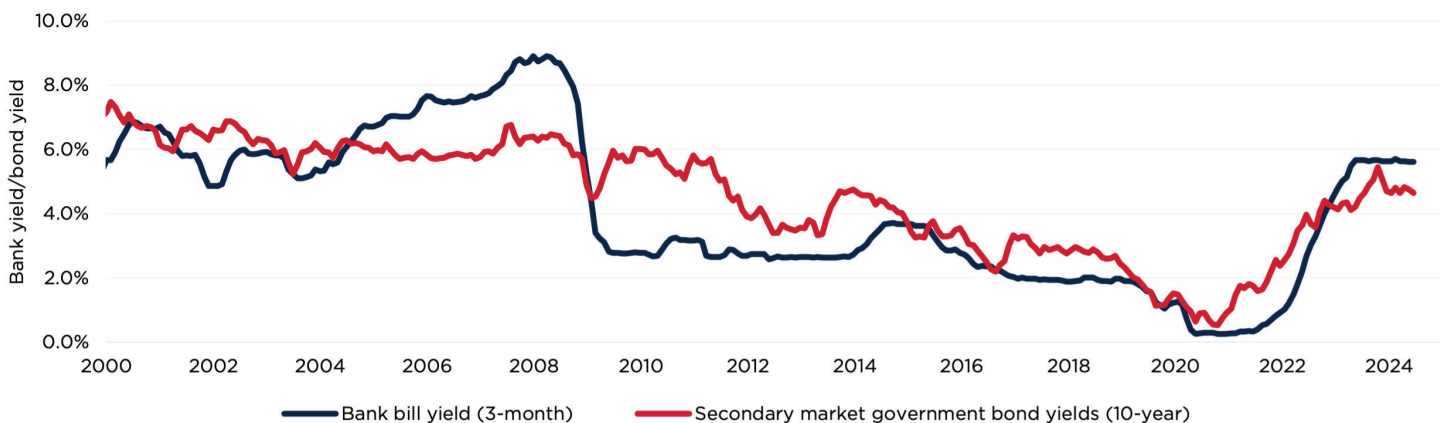
Fonterra Farmgate Milk Price



Milk production



Interest rates



Data: Fonterra, DCANZ, RBNZ, Farm Gate Milk Price forecast is as at 29 May 2024.

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